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Suzanne Henderson



HARDING COMPANY 13465 Midway Road, Suite 400 Dallas, Texas 75244

Submitter: HARDING COMPANY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BEGAUSE OF GOLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW. NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-69) — Paid-Up With 640 Acres Pooling Provision

ICoda: 12310

PAID-UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this day of December 1003 Shadybrook Lans Frisco. Texas 75034, as Lessor, and HARDING ENERGY PARTNERS, LLC, a Texas limited liability company, 13465 Midway Road, Suite 400, Dallas, Texas 75244, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leases are prepared as provisions.

land, hereinafter called leased premises:

See attached Exhibit "A" for Land Description

in the County of <u>Tarrant</u>. State of TEXAS, containing <u>9.165</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in noyalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of (5) five years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

2. This lease, which is a "paid-up" lease reguling no rentals, shall be in force for a primary term of 15] five years from the date fleady, and to a strong interaction of the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 20.00% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for gras (including casinghead gas) and all other substances covered hereby, the royalty shall be 20.00% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee's shall have the continuing right to purchase such production at the prevailing which there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture simulation, but such well or wells are shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production therefrom is not being sold by Lessee, such payment to be made to

cherwise being maintained by operations, or if production is being said by Lessee from another well or wells on the lessed greatures of lends posited therewith, no a shuff-increatity shall be due until the end of the 90-day period next following described or such operations or production. Lessee's date to to proterly by shuff-in royally symmetric with the lates of the production of the state of the production of the state of the s

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be releved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligat

in accordance with the net acreage interest retained hereunder

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untilized herewith, in primary and/or enhanced recovery, Lesson shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be constructed to the production of the production and use of roads, canals, prefixes, canals, and other responsible of the production. Lesson and other responsible of the production and use of roads, canals, prefixes, and other facilities desired necessary by Lessoe to discover, produce, and offer transport production. Lessoes may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises occasion water from Lessor's wells or points, in exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the refree leased premises described in Pragrapan 1 above, notwithstanding any partial ease or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in which lessor that lands used by Lessoe hereunder, without Lessor's content, and Lessoe shall pay for damage caused by its operations to buildings and other improvements only the content of the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fourtee, supplied to the content of the lease of the l

- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original,

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessoe has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LIESSOR (WHETHER ONE OR MORE)	
ad Haras	
Cametra A Thomason	
125508	
ACKNOWL	EDGMENT
STATE OF TEXAS COUNTY OF STATE OF TEXAS	DOMENTALIZONS. by CAMPTON a. Thomps Notary Gublic, State of Texas
This instrument was a but the land the land the same that the land	MUMUROUS BY CENTED TO THE STATE OF THE STATE
JENNIFER J. CONWAY MY COMMISSION EXPIRES	Johnson J. Company
June 13, 2011	Notary Hubic, State of Texas Notary's name (printed)
	Notary's commission expires:
ACKNOWL	EDGMENT
STATE OF TEXAS	
COUNTY OFday of	, 20, by
•	
	Notary Public, State of Texas
	Notary's name (printed):
	Notary's commission expires:
CORPORATE ACK	(NOWLEDGMENT
STATE OF TEXAS COUNTY OF	
This instrument was acknowledged before me on the day of	20 byof
acorporation, on bel	nair of said corporation.
	Notary Public, State of Texas
	Notary's name (printed):
	Notary's commission expires:
RECORDING I	NFORMATION
STATE OF TEXAS	
County of	
This instrument was filed for record on the day M., and duly recorded in	of, 20, ato'clock
Book, Page, of the records of	this office.
	ByClerk (or Deputy)
Pag	e 2 of 3

Page 2 of 3

Prod 88 (4-89) — PU 640 Acres Pooling NSU w/o Option (10/29)

Exhibit "A" Land Description

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated the day of <u>December</u>, 2008, by and between, HARDING ENERGY PARTNERS, LLC, a Texas limited liability company, as Lessee, and <u>Cametra A Thompson.a</u> single person as Lessor.

From time to time Lessee may determine that some part or all of the Leased Premises should be more specifically described, in which case Lessor agrees to execute any substitute Lease(s) or correction to Lease(s) tendered by Lessee for such re-description.

0.165 acre(s) of land, more or less, situated in the John W. Berry Survey, Abstract No. 165, and being Lot 12, Block 3, Ambercrest, Phase Two an Addition to the City of Arlington, Tarrant County, Texas according to the Plat thereof recorded in Volume/Cabinet A, Page/Slide 5753 of the Plat Records of Tarrant County, Texas, and being further described in that certain Special Warranty Deed recorded on 08/22/2005 as Instrument No. D205246981 of the Official Records of Tarrant County, Texas.

ID: , 524-3-12

After Recording Return to:
HARDING COMPANY
13465 MIDWAY ROAD, STE. 400
DALLAS, TEXAS 75244
PHONE (214) 361-4292
FAX (214) 750-7351

Initials <u>CT</u>